



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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**ON EARTH DAY 2006, CALIFORNIA STATE TREASURER PHIL ANGELIDES
SAYS GREEN WAVE ENVIRONMENTAL INVESTMENT INITIATIVE
DEMONSTRATES HOW SMART PUBLIC INVESTMENTS CAN MAKE
CALIFORNIA GREENER**

Landmark Environmental Initiative Will Bolster Financial Returns, Create Jobs and Clean Up the Environment, Boosting a Growing Economic Sector and Reducing Risks to Pensioners and Taxpayers

Sacramento, CA – The *Green Wave* environmental investment initiative California State Treasurer Phil Angelides launched in February 2004 has been a signal success, with California's two major public pension funds dedicating some \$1.15 billion to investments that will clean up the environment and create jobs while bolstering the funds' financial returns. The approach of Earth Day 2006 is an appropriate time to highlight the progress of this landmark environmental investment initiative.

"As we celebrate Earth Day, most of us will take a few extra steps to leave the world a little greener than we found it – driving a little less, recycling a little more, planting a tree," said Treasurer Angelides. "But what if we could put these same ideas to work on a large scale, to benefit our environment and our economy too? That's the idea behind the *Green Wave* investment strategy that I launched through our state's public pension funds two years ago. Under the *Green Wave* initiative, the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) are maintaining California as a principal center of environmental innovation, and in the process reaping the environmental and financial rewards from fast-growing and important new renewable energy and clean technology industries."

This environmental investment strategy is a role model for shaping California's 21st century economy. California is a leader in environmental technology, accounting for 25 percent of the nation's environmental services industry, and leading the country in environmental remediation technologies. *Green Wave* is helping ensure that California stays the geographic and economic center of the new and exciting fields of renewable energy and clean environmental technology. It is also a worldwide role model for environmental investments to improve the long-term outlook for our planet.

Through the *Green Wave* initiative, the state's two public pension funds are investing in the stocks of environmentally responsible companies and in funding that will grow new industries to develop clean energy and environmental technologies. The funds are also pushing companies to improve their environmental practices and curb global warming; and they are implementing landmark energy conservation goals for their massive real estate holdings.

Here's what Treasurer Angelides has done:

- CalPERS has committed to placing up to \$200 million with venture capital firms that invest in environmental technology solutions – focusing on renewable energy sources such as wind and solar generators, hydrogen fuel cells, desalination, and the recycling of water and used materials, and CalSTRS has committed to make an initial investment of up to \$250 million in the clean energy and technology sectors. This funding will soon make its way to companies that are developing the groundbreaking technologies that will clean up our air and water, and curb global warming.
- CalPERS has committed to investing up to \$500 million with environmental stock funds – using investment managers who have a superior track record of investing assets using environmental strategies. CalSTRS has launched a similar effort and is expected to invest \$200 million in environmentally screened stock funds. California's significant commitment of capital to environmentally friendly companies puts companies on notice that investors are looking out for companies' long-term environmental risks as well as the bottom line.
- Both pension funds have made environmental governance a top priority, prodding companies to improve their environmental practices and to pay heed to the risks of global warming – protecting their bottom lines and the environment, too. As an example, CalSTRS is moving forward with a plan to support shareholder proposals to push companies in which the fund invests to disclose their environmental liabilities, with specific attention to the auto and utilities industries.
- Both funds have adopted landmark energy conservation goals for their massive real estate holdings. Over the next few years, the funds will retrofit their properties to take advantage of the latest technologies, saving enough energy to power 50,000 homes annually, and at the same time creating 43,000 jobs.

Treasurer Angelides adds, "There's no better time than Earth Day to think of new ways we can do more to protect our environment – I hope the *Green Wave* approach that I developed will serve as a model to investors of how, by smartly deploying our resources, we can do well and do right at the same time.

"And there's no better place than California to see the importance of and the possibilities behind a new environmental investment strategy. Perhaps because of our state's undeniable natural beauty, nowhere is a citizenry more committed to protecting our resources. And time and again, we've shown that forward public investment pays off. By investing in our world-class universities, we've made California home to the best scientists and universities on the planet and the center of the high-technology and biotechnology industries."

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